

Message Text

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PAGE 01 STATE 216618

53

ORIGIN STR-04

INFO OCT-01 EA-07 ISO-00 EB-07 CIAE-00 INR-07 NSAE-00

COME-00 L-03 TRSE-00 INT-05 STRE-00 SIL-01 LAB-04

/039 R

DRAFTED BY STR: R.W.HEIMLICH
APPROVED BY STR: AMB.F.B.DENT
COMMERCE: B.ASCHER
COMMERCE: W.CAVITT
STATE: W.DIROLL
TREASURY: W.BARREDA
LABOR: J.PAPOVICH
USITC: W.HART

----- 068924

P 011346Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO PRIORITY

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E.O. 11652: GDS

TAGS: ETRD, JA

SUBJECT: SPECIALTY STEEL - TOOL STEEL/BEARING STEEL PROBLEM

REFERENCES: (A) TOKYO 6419; (B) STATE 107305; (C) STATE
212334

1. ON AUGUST 27, MR. YOKOYAMA OF THE JAPANESE EMBASSY
VISITED STR (HEIMLICH) TO PRESENT A SET OF DATA COMPILED
BY JAPANESE EXPORTERS ON THEIR TOOL STEEL ENTRIES INTO THE
UNITED STATES BY PORT OF ENTRY DURING THE PERIOD JUNE 14-
JULY 16. THEIR COUNT WAS 754.6 THOUSAND POUNDS. YOKOYAMA
INDICATED BEARING STEELS, TOTALING 237.6 THOUSAND POUNDS,
WERE NOT INCLUDED IN THE JAPANESE TOTAL, BUT EVEN IF THEY
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PAGE 02 STATE 216618

ARE INCLUDED SOME 500 THOUSAND POUNDS WOULD BE UNACCOUNTED

FOR WHEN COMPARED WITH CUSTOMS SERVICE DATA FOR THE SAME PERIOD. HEIMLICH INDICATED THAT CUSTOMS WOULD CHECK OUT THE DIFFERENCES AND SUGGESTED THAT AN UPDATE OF THE JAPANESE DATA THROUGH AUGUST 20 WOULD BE USEFUL.

2. HEIMLICH EXPLAINED TO YOKOYAMA THAT THE INFORMATION PROVIDED TO GOJ IN TOKYO REGARDING INCLUSION OF BEARING STEELS IN THE TOOL STEEL QUOTA WAS INACCURATE. (THE INFORMATION IN REFTTEL (B) WAS INACCURATE IN STATING THAT ONLY SUJ-5 BEARING STEEL MIGHT BE CONSIDERED AS TOOL STEEL. CURRENT CUSTOMS INTERPRETATION IS THAT SUJ-3 ALSO MAY BE INCLUDED IN SOME CASES AND THAT SUJ-2 AND 4 DEFINITELY ARE INCLUDED.) HE REPORTED THAT CUSTOMS HAD BEEN ASKED TO DETERMINE HOW MUCH OF JAPANESE TOOL STEEL QUOTA CHARGES CONSISTED OF BEARING STEEL AND THAT IT IS CONTEMPLATED THAT THE USITC WILL UNDERTAKE FURTHER ANALYSIS OF U.S. IMPORT DATA TO DETERMINE POSSIBLE MISCLASSIFICATIONS OF TOOL STEEL PRIOR TO THE QUOTA. IN THIS CONNECTION, IT WAS SUGGESTED THAT IT WOULD BE HELPFUL IF GOJ COULD PROVIDE INFORMATION ON 1974 AND 1975 EXPORTS BY GRADE OF BEARING STEEL AND ON MAJOR CUSTOMERS IN THE UNITED STATES. YOKOYAMA AGREED TO ASK TOKYO FOR THIS INFORMATION.

3. YOKOYAMA SAID HE THOUGHT GOJ WOULD ASK EXCLUSION OF BEARING STEELS ALONG THE LINES OF ITS UNDERSTANDING IN TOKYO (I.E. THAT ONLY A PART OF SUJ-5 WOULD BE AFFECTED). HEIMLICH INDICATED THAT SUCH AN EXCLUSION COULD ONLY BE ACCOMPLISHED BASED ON ADVICE FROM THE USITC, WHICH WOULD TAKE A MINIMUM OF THREE MONTHS TO OBTAIN, BECAUSE AN EXCLUSION WOULD CONSTITUTE A REDUCTION IN RELIEF. A POSSIBLE SHORT TERM REMEDY APPEARED TO BE A MODIFICATION OF SHIFT PROVISIONS IN THE OMA.

4. YOKOYAMA SAID THAT HE EXPECTED GOJ WOULD SEEK CONSULTATIONS ON THIS PROBLEM WHICH MIGHT BE REQUESTED AS EARLY AS THE WEEK OF SEPTEMBER 7 WHEN MR. SAITO WILL BE IN WASHINGTON FOR TEXTILE DISCUSSIONS. HE WAS CAUTIONED THAT IT WAS UNLIKELY THAT WE WOULD HAVE COMPLETE INFORMATION REGARDING THE AMOUNT OF TRADE INVOLVED BY THAT TIME, BUT THAT WE WOULD BE WILLING TO HOLD PRELIMINARY DISCUSSIONS. LIMITED OFFICIAL USE

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PAGE 03 STATE 216618

5. THE USG IS READY TO WORK WITH GOJ TO SATISFACTORALLY RESOLVE THIS PROBLEM. ROBINSON

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Message Attributes

Automatic Decaptioning: X
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Copy: SINGLE
Draft Date: 01 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Document Unique ID: 00
Drafter: R.W.HEIMLICH
Enclosure: DG ALTERED
Executive Order: N/A
Errors: N/A
Film Number: D760331-1329
From: STATE
Handling Restrictions: n/a
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ISecure: 1
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Review Content Flags:
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TAGS: ETRD, JA, US
To: TOKYO
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